

## Timeline of Argentina's Debt Restructuring Process

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- **December 10, 2019** – In his [inaugural address](#), President Alberto Fernández notes that the government will seek “constructive and cooperative” dialogue on the government’s debt with the International Monetary Fund and bondholders.
- **December 19, 2019** — The Ministry of Economy releases a list of [principles](#) for managing the sustainability of the government’s debt.
- **January 2, 2020** — Bondholders are invited by the Republic of Argentina to send their views on the debt restructuring process. This invitation was followed by bondholders meetings with the Unit of Restoration of External Debt Sustainability, the Secretary of Economic Policy, and the Minister of Economy.
- **January 31, 2020** — In a meeting with President Fernández, [Pope Francis](#) expresses his support for Argentina as it works to resolve its debt crisis.
- **February 19, 2020** — The IMF [assesses](#) that Argentina’s debt is unsustainable and emphasizes the importance of a “collaborative process of engagement with private creditors to maximize their participation in the debt operation.”
- **March 20, 2020** – The IMF publishes a debt sustainability analysis in a [technical note](#), which sets a couple of targets related to (i) FX debt service after 2024 (to average no more than 3.0% of GDP) and (ii) total Gross Financing Needs (to average no more than 5.0% of GDP and not to exceed 6.0% of GDP in any given year).
- **March 20, 2020** – The Minister of Finance introduces to creditors in a webcast the [debt sustainability framework](#) that will supersede the debt restructuring discussions.
- **April 7, 2020** – Argentina formally requests rescheduling of Paris Club debt.
- **April 9-21, 2020** – Argentina enters into the first round of restricted discussions with creditors and further develops its [restructuring guidelines](#).
- **April 21, 2020** — Argentina [officially launches an exchange offer for its foreign law debt](#), **formally establishing a transparent, good faith and constructive dialogue** with creditors to ensure that Argentina is on the path toward long-term sustainability.
- **April 26, 2020** — Argentina begins [virtual roadshow](#), continuing dialogue and seeking input from investors on the government’s debt restructuring efforts.
- **May 4, 2020** — Three creditor groups [issue a joint statement](#) **rejecting the government’s proposal** to restructure the debt.
- **May 4-5, 2020** — Argentine [governors](#) and [mayors](#) express support for the government’s debt restructuring strategy.
- **May 6, 2020** — Joseph Stiglitz, Edmund Phelps, and Carmen Reinhart publish a [letter](#) co-signed by economists from 20 countries in support of Argentina’s debt restructuring proposal. Additionally, more than 100 [Argentine economists](#) publish a letter supporting the debt restructuring proposal.
- **May 11, 2020** — Argentina published a [press release](#) extending the expiration of the April 21 offer to May 22, 2020.
- **May 15, 2020** — In a [speech at the Council on Foreign Relations](#), Minister Martín Guzmán underscores that Argentina is willing to consider any combination of reduction of interest, reduction of principal or extension of maturities compatible with its debt sustainability goals.
- **May 15, 2020** — Creditors submit three [counteroffers](#), which **disregard the IMF’s analysis of Argentina’s debt sustainability**.
- **May 21, 2020** — Argentina published a [press release](#) extending the expiration of the April 21 offer to June 2, 2020.

- **May 22-28, 2020** — Argentina enters into the second round of restricted discussions with creditors. During such discussions, Argentina puts forward new debt restructuring terms, stretching the limits of the government's repayment capacity in order to reach agreement with creditors while ensuring that Argentina's debt is sustainable and that the economy can get on a path towards long-term growth. **The revised terms represent a significant adjustment to the April 8 initial proposal, increasing the blended recovery value of the bonds**
- **May 28, 2020** — Non-disclosure agreements with the Ad-hoc Group and Exchange Bondholder Group expire and Argentina [cleanses material non-public information](#).
- **June 1, 2020** — Argentina published a [press release](#) extending the expiration of the April 21 offer to June 12, 2020.
- **June 6-17, 2020** — Argentina enters into the third round of restricted discussions with creditors. The Republic makes a final step towards investors, **significantly increasing its debt restructuring terms to meet investors request of a recovery value in the 50 handle at a 10% discount factor, which is the measure often invoked by creditors**. The Republic **further proposed a Value Recovery Instrument (VRI)** based on exports.
- **June 12, 2020** — Argentina published a [press release](#) extending the expiration of the April 21 offer to June 19, 2020.
- **June 17, 2020** — Non-disclosure agreements with the Ad-hoc Group and Exchange Bondholder Group expire and Argentina [cleanses material non-public information](#).

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## WHAT THEY ARE SAYING: ARGENTINA'S DEBT RESTRUCTURING JUNE 2020

### Current and Former Argentine Government Officials

**Governors from across Argentina:** In an adverse global context and of high uncertainty due to the impact of COVID-19, the Argentine Republic seeks a credible and sustainable payment plan from the international community, made seriously, based on the country's ability to pay, both in the short as in the medium and long term, banishing any type of speculation. The political forces as a whole have to make the greatest effort possible and give all the support so that Argentina can redefine its commitments in a sustainable way so that it can fulfill its obligations and avoid default or default. ([Open Letter](#) translated from Spanish, May 4, 2020)

**Mayors from across Argentina:** The mayors and mayors of the Argentine Republic gathered in various political blocks of different ideological aspects want to express strong support for the renegotiation process of the external debt led by the President of the Nation Dr. Alberto Fernández and his Minister of Economy Dr. Martín Guzmán. ([Open letter](#) translated from Spanish, May 5, 2020)

**Omar Perotti, Governor of Santa Fe:** Argentina needs to have a sustainable debt. The debt restructuring proposal that it presented is responsible, sensible, and in line with this moment in the world. ([Twitter](#), translated from Spanish, May 12, 2020)

**Sergio Uñac, Governor of San Juan:** From #SanJuan, we ratify the support for the proposal made by the head of the Ministry of [@Economia\\_Ar](#), [@Martin\\_M\\_Guzman](#), which guarantees a #DeudaSostenible. With good faith and responsibility, assume our commitments as a Nation without neglecting the present and future of the country. ([Twitter](#), translated from Spanish, May 11, 2020)

**Martín Insaurrealde, Mayor of Municipio Lomas de Zamora:** The mayors, who are in the trenches of the coronavirus approach, support the committed and responsible gaze with which [@Martin\\_M\\_Guzman](#) is carrying out the negotiation for the restructuring of the public debt. ([Twitter](#), translated from Spanish, May 11, 2020)

**Leo Nardini, Mayor of Malvinas Argentinas:** As Mayor of #MalvinasArgentinas, I express my full support for the debt restructuring process carried out by Economy Minister Martín Guzmán. As our president, @alferdezok says, you cannot reach an agreement if it results in the suffering of all Argentines as a consequence #ArgentinaDePie #SustainableDebt #SustainableFuture ([Instagram](#), translated from Spanish, May 11, 2020)

**Alfonso Prat-Gay, former Minister of the Treasury and former President of the Central Bank of Argentina:** I believe Argentina's second offer went largely unnoticed, at least in the local press, so we need to spend some time at it. I think it was a significant concession that the government has now offered in the second proposal. Essentially,

what the (IMF) is saying is that Argentina has offered pretty much what they could offer. Don't expect that Argentina can do anything else on that regard. And that sets the tone for the upcoming negotiation and also reminds us of how dangerous it is for the debtor to be waiving around proposals without an actual agreement behind them because that puts you on a path where the creditors might force you into yet another proposal and, therefore, if you end up closing a deal, the deal is more costly than it could have been otherwise. ([Inter-American Dialogue Virtual Event](#), June 1, 2020)

### Leading Experts and Commentators

**Group of 138 prominent economists from 20 countries including Two Nobel laureates (Joseph Stiglitz and Edmund S. Phelps) and other prominent experts and former government officials (Jeffrey Sachs, Carmen Reinhart, Thomas Piketty, Kenneth Rogoff, Brad Setser, Erik Berglof):** "We believe a sustainable agreement benefits both sides: a struggling economy with 45 million people and the creditors themselves. Now is the time for private creditors to act in good faith. A responsible resolution will set a positive precedent, not only for Argentina, but for the international financial system as a whole." ([Open Letter](#), May 6, 2020)

**Joseph E. Stiglitz, Edmund S. Phelps, and Carmen Reinhart, Economists:** "A renegotiation requires the commitment of all parties. Argentina has presented its private creditors a responsible offer that adequately reflects the country's payment capacity: a three-year grace period with a minor cut in capital and a significant cut in interest. The proposal is in line with the IMF's technical analysis, which states that substantial debt relief from Argentina's private creditors will be needed to restore debt sustainability with high probability. At this exceptional moment, Argentina's proposal also presents an opportunity for the international financial community to show that it can resolve a sovereign-debt crisis in an orderly, efficient, and sustainable manner." ([World Economic Forum](#), May 13, 2020)

**Elizabeth Warren, U.S. Senator:** "Argentina may go bankrupt if it doesn't restructure its debt. With COVID-19 worsening an already weak economy, this is no time for Wall Street creditors to exploit any country struggling to deal with debt burdens. A fair deal will help save more lives." ([Tweet](#), May 16, 2020)

**Former Uruguayan President Pepe Mujica:** "Fernández has an enormous challenge not only because of the coronavirus but also because of the debt problem (which) is overwhelming, and I think he is trying to take the helm with great good fortune forward." ([Página12](#) translated from Spanish, May 9, 2020)

**Jeffrey Sachs, University Professor and Director of the Center for Sustainable Development at Columbia University:** "International financiers should know better than to start the COVID-19 collapse of 2020. Their wisdom will soon be tested...Argentina made a debt-restructuring offer to its creditors that is realistic and favorable. Its creditors should respond positively." (Project Syndicate, [May 7, 2020](#))

**Joseph Stiglitz, Economist:** “Argentina’s struggles to restructure its debt with BlackRock, Pacific Investment Management Co, and the country’s other major creditors will tell us a lot about the nature of 21st century finance capitalism and the mindset and morality of the creditors: Do they value money over lives? Will they remain shortsighted—a myopia so clearly demonstrated in the run-up to the 2008 financial crisis? Will they stick to their recent rhetoric about “social responsibility” and going beyond just looking after the interests of shareholders? Or is that just rhetoric?” ([The Nation](#), May 29, 2020)

**Brad Setser, Senior Fellow at the Council on Foreign Relations:** If I were a member of Argentina’s creditor’s committee, I would be rather embarrassed to propose dollar store pricing (99 cents instead of a dollar) on a 6% coupon bond with interest capitalization. I obviously am not a member of creditors committee -- but you don’t have to be a financial genius to realize that the 2.75 pp of par capitalized in 20 and 21 (under the proposal) more than makes up for the penny discount. Just sayin’ ([Tweet](#), May 29, 2020)

**Financial Times Editorial Board:** “If agreement cannot be reached by May 22, a default will be triggered. When this last happened in 2001, Argentina was locked out of international markets for 15 years. Both sides should compromise this time to avoid such an outcome.” ([Financial Times](#), May 5, 2020)

#### Multilateral Organizations

**Kristalina Georgieva, IMF Managing Director:** “Right now, there is an ongoing negotiation between Argentina and Argentina’s creditors. I very much welcome the engagement of these two sides. And the aim is to restructure debt in a way that it can be paid. Nobody benefits if a country falls off the debt cliff, because the country would then be excluded from access to markets. Growth would suffer, people would suffer, but also the creditors, they’re not going to get their money back. And this thoughtful restructuring, debt restructuring, something that occasionally needs to be done so countries can return to growth and be able to pay back to their creditors.” ([IMF/WAPO](#) Interview, June 3, 2020)

**Spokesperson for the International Monetary Fund Gerry Rice on Argentina Debt Restructuring Offer:** “We are hopeful that an agreement with high creditor participation can be reached that restores debt sustainability with high probability. We stand ready to help Argentina, especially in these difficult times, as the Argentine government seeks to respond to the health and economic effects of the coronavirus and to develop an economic plan that restores sustainable and inclusive growth over the medium term.” ([Transcript of IMF Press Briefing](#), May 7, 2020)

**United Nations Conference on Trade and Development report:** “What should be clear, however, is that the basic principles on which this proposal (as well as Argentina’s ongoing negotiations about its multilateral debt with the IMF) is based are essential to ensure that the developing world can exit from unsustainable debt burdens, once and for all.” (“[Developing Country Debt in the Time of Covid-19](#)”, April 2020)

Financial, Commercial and Labor Organizations and Leaders

**Argentine Banks Association:** “ADEBA supports the efforts and efforts carried out by the authorities with the aim of restoring the sustainability of public debt and recovering the Republic’s credit, which requires the contribution and joint effort of all the parties involved. As important as reaching an agreement between the parties is that it be sustainable once it is reached.” ([Statement](#), April 30, 2020)

**Association of Public and Private Banks of the Argentine Republic:** At ABAPPRA we believe that the proposal presented to creditors is adequate, sustainable and realistic in terms of the payment and interest profile for government securities issued under foreign law. ([Statement](#) translated from Spanish, April 29, 2020)

**Miguel Acevedo, President of the Argentine Industrial Union:** If Argentina achieves a sustainable and viable agreement in time, that will allow the flow of international financing to be recovered to unfold the potential of productive investment throughout the country. ([UIA](#) translated from Spanish, April 29, 2020)

**Sharan Burrow, General Secretary of the International Trade Union Confederation:** “Creditors need to understand that while delaying repayment might seem costly now, giving Argentina the space to recover will benefit them in the future.” ([openDemocracy](#), May 5, 2020)

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